

Enhanced Use Lease Definitions

Alteration – The act or process of modifying real property and/or improvements thereto.

Appropriation – For purposes of EUL, the process by which Congress makes cash proceeds available for obligation and expenditure to the Installation generating the funds and the Secretary of the Air Force following deposit of funds into a special account in the Treasury earmarked for such funds.

Beddown Process – The Air Force Installation Unit Beddown Program is designed to ensure that all basing actions involving Air Force units, missions, and/or real property support Air Force mission requirements and comply with all applicable environmental guidance. A site survey must be accomplished prior to any Beddown action

Business Case Analysis (BCA) – A decision support document that addresses the potential uses of an Installation's underutilized assets and focuses on determining the highest and best-use market value of the property, taking into consideration the constraints imposed by the Air Force. It concludes with a recommended development concept for the EUL project.

Concept Opportunity Study (COS) – A study developed to evaluate the potential return and risk associated with each candidate property based on real estate data from the applicable geographic market and an evaluation of the characteristics of the candidate property. Opportunities that are identified as presenting the highest return and lowest risk will be briefed to the AFRPA/SAU for approval to conduct further analysis and concept development through a BCA. AFRPA/SAU will coordinate with HAF/A7C to ensure that each opportunity is in line with the long-term plans of the Air Force before arriving at a decision.

Consideration – Monetary compensation or an equivalent (i.e., goods or services) given in exchange for something acquired or promised. In the context of an EUL, consideration means cash or in-kind. In-kind consideration can be applied to pay for maintenance, alteration, repair, or improvement of/to facilities, construction of new facilities, and provision of facilities, operation support or other appropriate services either at the Installation where the leased property is located or any other Installation under the jurisdiction of the Secretary.

Deal Team - A multidisciplinary team led by AFRPA/SAU-BL to execute Phases II through III of an EUL project. During Phase II, the Deal Team is responsible for concurrently

developing a BCA and completing the process of soliciting and evaluating Offeror proposals and recommending an HRO for approval by the Source Selection Authority. Team members should include representatives from the Installation and MAJCOM, such as the Wing/Installation Commander, civil engineer, security forces, financial management and budget, public affairs, and staff judge advocate. Depending on the complexity of an EUL project, AFRPA may retain other experts (consultants) to provide assistance.

DoD Acquisition Approval – The approval required pursuant to the DoD policy placing a moratorium on major land acquisition. As set forth in a Memorandum from the Secretary of Defense dated November 17, 2002, a major land acquisition is defined as the purchase, withdrawal from public domain, lease or permit from individuals or government entities, or any other type of use agreement involving more than 1,000 acres or land whose estimated purchase price or annual lease price exceeds \$1.0 million. Any acquisition meeting this definition within the Washington, D.C. area requires Secretary or Deputy Secretary of Defense approval.

Enhanced Use Lease (EUL) - A lease of an exclusive, possessory interest in non-excess, Air Force controlled real property pursuant to the authority of the Military Leasing Act (MLA), 10 U.S.C. § 2667. Such a lease is limited to a five-year term unless a longer term is approved by the Secretary or his/her designee, provides for Air Force termination at will, and is offered in exchange for consideration at least equal to the property's fair market value (FMV). Consideration for an EUL may be either cash or in-kind consideration such as maintenance, protection, alteration, repair, improvement and restoration; construction of new facilities; provision of facilities; operation support; or other appropriate services. In-kind consideration can be applied to any facility under the control of the Secretary. While cash proceeds are subject to appropriation by Congress, a minimum of 50 percent of these proceeds must be allocated to the Installation where the leased property is located.

Environmental Impact Analysis Process (EIAP) – The Air Force process for implementing NEPA and the President's Council on Environmental Quality (CEQ) NEPA implementation recommendations. The EIAP is a process established to analyze the environmental impacts in support of Air Force decision-making. Depending upon the significance of identified impacts, the level of analysis required under the EIAP will be either 1) a categorical exclusion, 2) an environmental assessment and finding of no significant impact, or 3) an environmental impact statement and record of decision. AFI 32-7061 as promulgated at 32 CFR Part 989 is the controlling Air Force document for the EIAP process.

Environmental Site Assessment (ESA) (formerly Environmental Baseline Survey) – The process by which a person or entity seeks to determine if a particular parcel or interest in real property (including improvements) is subject to recognized environmental conditions or other environmental factors that may be significant to a

particular real estate transaction. The purpose of the ESA is to (1) document the nature, magnitude and extent of any environmental contamination in real property subject to a real estate transaction; (2) identify potential environmental liabilities associated with a transaction; (3) develop enough information to assess health and safety risks associated with the transaction and potential reuse of the property; and (4) provide notice of environmental conditions when required under Section 120(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, or any applicable state or local real property disclosure requirements.

Excess Real Property – Air Force real property that has been screened within the Air Force and with other military departments and defense agencies and for which a determination has been made that the property is no longer needed to satisfy Department of Defense requirements.

Executive Steering Group (ESG) – A workgroup comprised of representatives from SAF/IEI, SAF/IEE (when an EUL involves a natural infrastructure asset), HAF/A7C, SAF/FMC, SAF/AQC, SAF/GCN, AFRPA, and AFCEE formed to develop and oversee execution of various privatization programs. Its general functions include the approval of program and policy issues.

Facility – A building, structure, utility system, paved area, or land.

Facilities Operation – The act and all activities, materials, labor, services, resources, and personnel required to cause a building, structure, utility system, paved area or land to function effectively.

Fair Market Value (FMV) – The amount of money or other compensation a willing buyer will pay a willing seller to acquire/lease property, neither being under compulsion to buy or sell and both having reasonable knowledge of all relevant facts pertaining to the property. A property's FMV is determined in advance of sale by an appraisal or a valuation or estimation of the property's value conducted by an independent, disinterested party with suitable qualifications.

Federal Acquisition Regulations (FAR) – A set of published, uniform policies and procedures governing the purchase or lease of goods and services (including construction) for use by the executive agencies of the Federal Government. While the FAR does not apply to real property dispositions such as leasing, the process of selecting a lessee should be modeled after and guided by FAR policies and procedures.

First Right to Purchase – The right of a lessee to acquire the leased property at the termination of the lease at fair market value prior to offering the property to other potentially interested parties.

Highest Ranked Offeror (HRO) – The entity responding to the Request for Qualifications (RFQ) with an offer that provides the Government the most advantageous proposal in response to the RFQ.

Improvement – (1) A building or any other facility placed upon real property. (2) A valuable addition to or a change in the condition of real property and/or facilities thereon, amounting to more than mere repairs or maintenance, which addition or change is intended to enhance the value of the asset value, adapt it for new or further purposes, extend its useful life or improve its performance over that of the original asset. Such expenditures are capitalized as part of the asset's cost.

In-Kind Consideration Account (ICA) – An account created to receive in-kind rent payments from the Lessee. The account will typically be managed by an independent escrow or lockbox agent subject to terms and conditions in the agreement, and the government is the sole party with the authority to make disbursements from the account from time to time at the discretion of the Secretary of the Air Force or his/her designee. The disbursements can be used to directly pay contractors for in-kind consideration provided at Air Force Installations under the control of the Secretary.

Lessee – One who has the right to use and occupy the property of another for a defined term and stated amount of consideration as set forth in a contractual agreement known as a lease. In the context of EUL, the Lessee is selected on the basis of a competitive selection process based on the RFQ.

Lessor – One who holds title to real property and grants the right of use and occupancy to another for a defined term and stated amount of consideration as set forth in a contractual agreement known as a lease. In the context of EUL, the United States government acting by and through the Secretary of the Air Force is the Lessor.

Maintenance – The acts undertaken to preserve, for their originally intended purpose, real property and facilities located thereon. Maintenance expenses are treated as periodic expenses.

Management Review Committee (MRC) - A team formed at the Installation level to monitor lessee compliance with the terms of the lease. Members of the team include representatives from the Installation commander, civil engineering, contracting, financial management and budget, and staff judge advocate.

Military Leasing Act (MLA) – The leasing authority initially conferred upon the Military in 1947 and amended over time. The Act as amended is set forth at 10 U.S.C § 2667.

Natural Infrastructure – Assets that may be incorporated into a potential EUL project. Examples include wetlands, streams, forests, grasslands, aquifers, mineral-bearing geologic structures, and credits for air and water.

Portfolio Manager – An individual or groups of individuals designated to monitor, manage, and account for the receipt of in-kind consideration over the life of an EUL to ensure delivery of products and services of the value and quality and on a schedule agreed upon by the parties.

Real Property – Lands, buildings, structures, utilities systems, improvements, and appurtenances. Real property includes equipment attached to and made part of buildings and structures (such as heating systems); it does not include movable equipment such as plant equipment.

Repair – To restore damaged, existing real property and/or facilities to their original condition.

Request for Qualifications (RFQ) – A document inviting parties to submit proposals to lease underutilized Air Force real property in exchange for cash or in-kind consideration.

Restoration – To bring real property and facilities back to their original condition. The term is frequently used in reference to dilapidated and deteriorated historic properties and the process by which they are brought back to a condition respecting and reflecting their original historic character. The term is also used to refer to the process of cleaning up environmentally contaminated real property and facilities.

Scoring – “Budget scoring” is a term that refers to estimating the budgetary effects of government actions and comparing them to limits set in legislation (in general, appropriations). Scoring for leases and public-private partnerships is undertaken by the Office of Management and Budget (OMB) as defined by the Budget Enforcement Act and further refined in OMB Circulars A-11 and A-129. In the case of leases and other operating and capital expenditures, OMB guidelines require that a government agency obligate funds for the “full economic cost” of an action at the time an obligation is made. For EUL, the issue of scoring will arise, if at all, either when a “leaseback” of space occurs on EUL property, when the government is seen as entering into a “public/private partnership,” or is a guarantor of developer financing. Under these scenarios, scoring implications must be addressed and satisfactorily resolved during the project definition phase.

Site Survey – As a minimum, the site survey team should address costs and benefits of the proposed action and assess potential impacts to existing missions, housing, infrastructure, manpower, and any other applicable Installation operating support. For potential EULs the site survey should include a summary description of the

underutilized asset. Site surveys should briefly address potential environmental impacts, proposed method of transaction (permit, license, lease), or any additional interest areas as required.

Source Selection Authority (SSA) – In the context of EUL, the individual or his/her designee responsible for (1) approving the EUL Concept Plan and (2) selecting the Offeror whose proposal represents the best value to the government. This authority resides with the Deputy Assistant Secretary for Installations (SAF/IEI) and the Air Force Civil Engineer (AF/A7C), who has equal authority, but may be re-delegated on a project-by-project basis.

Source Selection Advisory Council (SSAC) – A small, established team of expert advisors that may be called upon by the SSA for complex projects.

Title 10 Report – Document providing non-excess justification pursuant to the authority of 10 U.S.C § 2667. Title 10 Report is required for concept approval and will be included in the Congressional Notification package.

Underutilized Real Property – All or part of real property with or without improvements that is used irregularly or intermittently by the Air Force for current program purposes or for current program purposes that can be satisfied on a portion of the property.